WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

MONROE, LOUISIANA

JUNE 30, 2022

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

MONROE, LOUISIANA

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of Workforce Development Board SDA-83, Inc. provides an overview of the Board's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Board's financial statements, which begin on Page 4.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on Pages 4 and 5) provide information about the activities of the Board as a whole. Fund financial statements start on Page 6. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Board's operations in more detail than the government-wide statements by providing information about the Board's most significant funds. The accompanying financial statements present information on the funds maintained by the Board.

Reporting the Funds Maintained by the Board as a Whole

The Statement of Net Position and the Statement of Activities

These two statements report the Board's *net position* and changes in them. The Board's net position - the difference between assets and liabilities and deferred inflow of resources - is one way to measure the Board's financial health, or *financial position*. Over time, *increases or decreases* in the Board's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the activities in the funds maintained by the Board as governmental activities. These governmental activities consist mainly of expenses related to, and resources provided for, workforce development of youth and adults under the Federal Workforce Innovations and Opportunity Act and Health Profession Opportunity Grant.

Reporting the Most Significant Funds Maintained by the Board

The fund financial statements provide detailed information about the most significant funds maintained by the Board - not necessarily the Board as a whole. The Board's funds use the following accounting approaches.

Governmental fund - All of the Board's expenses in workforce development are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Board's operations and the expenses paid from the fund. Governmental fund information can help you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Board expenses.

THE FUNDS MAINTAINED BY THE BOARD AS A WHOLE

The Board's total net position changed from a year ago, decreasing from $212,380 to $18,755. This decrease amounted to $193,625, almost all of which is attributable to the decline of restricted net position as a result of excess net expenses in the Nursing Adjunct Faculty program.

It should be noted that the current year includes the new lease presentation required under GASB 87, while prior year does not. The implementation of GASB 87 increased total expenses in the Fund Financial Statements and added the Lease Right of Use Assets and Lease Liabilities at the end of the year in the Government-Wide Financial Statements. Net positions are shown below.

Table 1
Net Position

	Government-Wide Activities	
	2022	2021
Current assets	446,139	748,353
Capital assets, net	43,782	84,661
Lease right of use asset	187,104	-
Total assets	677,025	833,014
Current liabilities	282,605	464,804
Interest Payable	1,089	-
Short-term lease liability	47,444	-
Long-term lease liability	146,219	-
Total liabilities	477,357	464,804
Deferred inflow of resources	180,913	155,830
Net position:		
Investment in capital assets	43,782	84,661
Restricted	(25,027)	127,719
Total net position	18,755	212,380

Table 2
Changes in Net Position

	Government-Wide Activities	
	2022	2021
Revenues		
Federal Grants and other	2,980,053	4,302,677
Local Grants	-	42,866
Expenses		
General governmental-workforce development	3,173,678	4,527,316
Increase (decrease) in net position	(193,625)	(181,773)

Substantially all revenues of the Board are from Federal cost-reimbursement grants, which fund the workforce development programs administered by the Board. Therefore, the amount of revenues generated depends upon the amount of program costs (excluding depreciation but including the cost of capital assets acquired) incurred during the year. Such revenues decreased during the year by $1,322,624, from $4,302,677 in 2021 to $2,980,053 in 2022. This decrease was the result of the conclusion of the HPOG grant in the current fiscal year.

CAPITAL ASSETS

At the end of 2022, the Board had invested $43,782 in capital assets from those funds maintained by the Board.

The Board's lease right of use asset investment also assists in carrying out the mandated functions of the Office. This investment, net of allowance for amortization, as of June 30, 2022, was $187,104. This investment is for office equipment, including copiers, as well as office space.

Table 3
Capital Assets at Year End

	Government-Wide Activities	
	2022	2021
Furniture, equipment and vehicles	782,308	780,125
Less-accumulated depreciation	738,526	695,464
	43,782	84,661
The years' major additions included:		
Equipment	2,183	4,438

FUTURE OPERATIONS

The Board expects to continue administering Workforce Innovations and Opportunity Act grants during fiscal year 2023.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Board and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Workforce Development Board SDA-83, Inc. at 1504 Stubbs Avenue, Monroe, Louisiana 71201.

AUDITED FINANCIAL STATEMENTS

REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

Workforce Development Board SDA-83 Inc.
Monroe, Louisiana

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Workforce Development Board SDA-83 Inc. (the Board), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Board as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Workforce Development Board SDA-83 Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on Pages i-iv be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The accompanying information on pages 18-22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and also is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

December 22, 2022

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

GOVERNMENT-WIDE STATEMENT OF NET POSITION

AT JUNE 30, 2022

	Governmental Activities
Assets:	
Cash	254,337
Grants receivable	191,517
Other accounts receivable	285
Capital assets, net	230,886
Total assets	677,025
Liabilities:	
Accrued salaries and expenses	115,719
Payroll deductions payable	65,454
PHOCAS compensated absences	25,670
Accrued compensated absences	75,762
Interest payable	1,089
Lease liability - short-term	47,444
Lease liability - long-term	146,219
Total liabilities	477,357
Deferred inflow of resources	180,913
Net position:	
Investment in capital assets, net of debt	43,782
Restricted	(25,027)
Total net position	18,755

The accompanying notes are an integral part of the financial statements.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues	Net Revenue (Expense) and Change in Net Position
Programs:			
Workforce Innovations and Opportunity Act			
WIOA-Adult	992,520	993,318	798
WIOA-Youth	796,444	797,038	594
WIOA-Dislocated Worker	586,906	587,270	364
Health Profession Opportunity Grant	598,497	598,924	427
Nursing Adjunct Faculty Project	145,098	-	(145,098)
Other (nonmajor)	3,503	3,503	-
	3,122,968	2,980,053	(142,915)
General expense:			
Administrative			7,648
Depreciation			43,062
Change in net position			(193,625)
Net position-beginning of year			212,380
Net position-end of year			18,755

The accompanying notes are an integral part of the financial statements.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

BALANCE SHEET-GOVERNMENTAL FUNDS

AT JUNE 30, 2022

ASSETS	Workforce Innovations and Opportunity Act-Adult	Workforce Innovations and Opportunity Act-Youth	Workforce Innovations and Opportunity Act-Dislocated Worker
Cash	26,365	32,382	24,521
Due from grantor	71,906	25,130	18,719
Due from other funds	25,685	-	-
Other accounts receivable	285	-	-
Total assets	124,241	57,512	43,240
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued salaries payable	2,845	40,340	24,064
Accrued expenses	46,254	-	8
Accrued salaries and expenses	49,099	40,340	24,072
Payroll deductions payable	(38)	17,172	5,420
Compensated absences	25,670	-	-
Due to other funds	25,685	-	-
Total liabilities	100,416	57,512	29,492
Deferred inflow of resources	23,825	-	13,748
Restricted fund balances	-	-	-
Total liabilities, deferred inflows, and fund balances	124,241	57,512	43,240

Health Profession Opportunity Grant	Nursing Adjunct Faculty Project	Nonmajor Funds	Totals
83,486	25,521	62,062	254,337
-	-	-	115,755
-	-	-	25,685
-	-	-	285
83,486	25,521	62,062	396,062
2,198	-	-	69,447
10	-	-	46,272
2,208	-	-	115,719
-	42,900	-	65,454
-			25,670
-	-	-	25,685
2,208	42,900	-	232,528
81,278	-	62,062	180,913
-	(17,379)	-	(17,379)
83,486	25,521	62,062	396,062

Total fund balances	(17,379)
Amounts reported for governmental activities in the statement of net assets are different because:	
Grants receivable	75,762
Compensated absences payable	(75,762)
Capital assets net of lease liabilities used in governmental activities are not financial resources and, therefore, are not reported in the funds	(7,648)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	43,782
Net assets of governmental activities	18,755

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED JUNE 30, 2022

	Workforce Innovations and Opportunity Act-Adult	Workforce Innovations and Opportunity Act-Youth	Workforce Innovations and Opportunity Act-Dislocated Worker
Revenues:			
Federal grants	993,318	797,038	587,270
Total revenues	993,318	797,038	587,270
Expenses:			
Administration	63,616	91,372	108,597
Program costs	929,702	705,666	478,673
Total expenses	993,318	797,038	587,270
(Deficiency) of revenues over expenses	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	-	-	-

Health Profession Opportunity Grant	Nursing Adjunct Faculty Project	Nonmajor Funds	Totals
598,924	-	3,503	2,980,053
598,924	-	3,503	2,980,053
308,082	-	491	572,158
290,842	145,098	3,012	2,552,993
598,924	145,098	3,503	3,125,151
-	(145,098)	-	(145,098)
-	127,719	-	127,719
-	(17,379)	-	(17,379)

(Deficiency) of revenues over expenses-total governmental funds	(145,098)
Governmental funds report lease payments as expenses. However, in the statement of activities, the present value of the leased assets is capitialized as a Right of Use Asset (RUA) and amortized over the lease term as lease amortization expense. This is the amount by which the amortization of the ROU asset plus interest expense on the lease liability exceeds the lease payments	(7,648)
Governmental funds report capital outlays as expenses. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($43,062) and the book value of assets disposed ($-0-) exceed capital outlay ($2,183)	(40,879)
Change in net assets of governmental activities	(193,625)

1. Summary of Significant Accounting Policies

The Workforce Development Board SDA-83, Inc. is a nonprofit organization that originally was formed on January 29, 1988 as Private Industry Council SDA-83, Inc., to administer the Job Training Partnership Act (JTPA) Program in Service Delivery Area (SDA) Eighty-Three, which is composed of the parishes of Caldwell, East Carroll, Franklin, Jackson, Madison, Richland, and Tensas. With the replacement of JTPA programs with the Workforce Investment Act, as mandated by federal law, Private Industry Council changed its name in 2000 to Workforce Investment Board SDA-83, Inc. The Workforce Innovations and Opportunity Act of 2014 was effective July 1, 2015, at which time Workforce Investment Board SDA-82 merged with Workforce Investment Board SDA-83 and added the following parishes: Morehouse, Union, and West Carroll. In 2015, the Board changed its name to Workforce Development Board SDA-83. Workforce Development Board also administers a Ticket-to-Work grant and a Health Profession Opportunity grant. Service Delivery Area 83 is comprised of two elements:

- Workforce Development Board (WDB) - which consists of 23 members representing a cross-section of the SDA population. Board members are appointed by the chief elected official from recommendations by the ten parish police juries which comprise SDA-83 and other interested organizations and serve without benefit of compensation. The WDB is responsible for providing program guidance. The WDB serves as its own administrative entity and as such is responsible for administering the program.
- Designated Chief Elected Official - this is a police jury president elected by his peers from the Eighty-Third Planning District. His responsibilities include appointment of Board members, providing guidance for program development, and monitoring the operations of the administrative entity.

Although organized as a nonprofit organization, the Board follows governmental reporting standards, as set by the Governmental Accounting Standards Board, because Board members are appointed by a member of local government.

The Union Parish Police Jury is the designated grant recipient for the SDA. As grant recipient, the Union Parish Police Jury (1) has accepted full responsibility for funds expended under the grant, (2) has assured the Louisiana Department of Labor that all funds provided will be expended according to limitations set forth in federal and state regulations, and the approved job training plan, and (3) will reimburse the Louisiana Department of Labor for any questioned costs which are ultimately disallowed by the United States Department of Labor.

a. Presentation of Statements:

The Board's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the

1. **<u>Summary of Significant Accounting Policies</u> (Continued)**

Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Board has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Board has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Board are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) adopted Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Board's overall financial position and results of operations.
- Governmental-Wide Financial statements prepared using full accrual accounting for all of the Board's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

b. Basic Financial Statements - Government-Wide Statements:

The Board's basic financial statements include both Government-Wide (GWFS) (reporting the Board as a whole) and fund financial statements (FFS) (reporting the Board's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Board's functions and programs have been classified as governmental activities. The Board does not have any business-type activities. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

The content and certain titles of the GWFS were changed upon the adoption by the Board in 2013 of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Board had no deferred outflows of resources at June 30, 2022.

Accordingly, the statement of net position presents information on all of the Board's assets, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

1. Summary of Significant Accounting Policies (Continued)

In the Government-Wide Statement of Net Position, the governmental type activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Board's net position is reported in three parts - investment in capital assets, net of related debt; restricted; and unrestricted. Investment in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted includes all other net assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt." The Board's policy is to use restricted resources first to finance its activities.

The GWFS reports both the gross and net cost of each of the Board's functions and significant programs. The Statement of Activities begins by presenting gross direct expenses, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. The net cost of all programs is then increased by depreciation expense. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Board did not receive any capital-specific grants this year.

The Board allocates its indirect costs among various functions and programs in accordance with the Uniform Guidance.

The Government-Wide Statements focus upon the Board's ability to sustain operations and the change in its net assets resulting from the current year's activities.

New Accounting Standard

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, and as required the Workforce Development Board SDA-83, Inc. has adopted it in this fiscal year. This Statement outlines a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Workforce Development Board SDA-83, Inc. has analyzed the provisions of GASB Statement No. 87, Leases, and has concluded that there are four leasing arrangements which qualify for disclosure under the new statement with the Workforce Development Board SDA-83, Inc. being the lessee.

c. Basic Financial Statements - Fund Financial Statements:

The financial transactions of the Board are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-

1. Summary of Significant Accounting Policies (Continued)

balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Board uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Board or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

The assets, liabilities, and fund balances of the Board are reported in self-balancing special revenue fund groups as follows:

Major Special Revenue Funds

Workforce Innovations and Opportunity Act Youth

The Workforce Innovations and Opportunity Act Youth Fund accounts for funds used in the WIOA program. This program attempts to implement major reforms of the job training system to help increase employment, earnings, and retention of participants, and increase self-sufficiency in high-wage, high-demand careers. A key component of this program is the One-Stop service delivery system.

Workforce Innovations and Opportunity Act Adults and Dislocated Workers

This group of funds also accounts for funds used in the WIOA program. Programs included in these funds seek to improve employment, retention, and earnings of WIOA participants and increase their educational and occupational skill attainment and increase self-sufficiency in high-wage, high-demand careers.

Health Profession Opportunity Grant

This group of funds accounts for resources used to provide direct training, education, and related activities to prepare low-income individuals for employment in the healthcare field. Targeted occupations include those that pay well and are expected to either experience labor shortages or be in high demand.

Nursing Adjunct Faculty Project

This group of funds accounts for resources used to hire six (6) adjunct faculty with three (3) State Board Approved Nationally Accredited Nursing Schools in the region.

d. Measurement Focus and Basis of Accounting:

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. **<u>Summary of Significant Accounting Policies</u> (Continued)**

i. Accrual Basis - Government-Wide Financial Statements (GWFS):

The Statement of Net Position and the Statement of Activities display information about the Board as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

ii. Modified Accrual Basis - Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues “available” if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred.

e. Budgets:

Revenue and expense of Workforce Development Board SDA-83, Inc. consists almost entirely of Federal grant funds. These funds are accounted for in various special revenue funds according to the program or the function of the grant. Such grants cover multiple fiscal years and are budgeted for on that basis. Consequently, no budgetary comparison schedules are presented in this report.

f. Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least $250 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset’s estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Furniture and equipment	3-7 years
Vehicles	5 years

1. **Summary of Significant Accounting Policies** (Continued)

Right of Use assets are amortized on the straight-line method over the term of the related lease.

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles.

Depreciation and amortization is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

g. Cash and Cash Equivalents:

Cash includes amounts in demand deposits and petty cash. At June 30, 2022, the Board had cash (book balances) as follows:

Demand deposits	254,137
Petty cash	200
Total	254,337

It is the policy of the Board to require that fiscal agent banks pledge securities to cover bank deposits in excess of federal deposit insurance. The pledged securities are the market value of investment debt securities held by a custodial bank in the name of the fiscal agent bank, rather than in the name of the Board. However, the fiscal agent bank receives authorization from the Board before pledged securities are released.

h. Accrued Compensated Absences:

Employees of the Workforce Development Board SDA-83, Inc. earn from 12 to 25 days of annual leave each year, depending on length of service. There is no limit to the amount of days of annual leave that may be accumulated. Employees who have been employed for more than six months will be paid for accumulated annual leave up to 50 days upon termination of employment.

Employees earn 12 days of sick leave each year. Unused sick leave may be accumulated to a maximum of 80 days. Employees are not paid for accumulated sick leave upon termination of employment.

At June 30, 2022, employees have accumulated and vested approximately $101,432 in employee leave benefits. The cost of leave privileges is recognized as a current-year expense when the leave is earned.

i. Prepaid Expenses:

Expenditures for insurance and other items that extend over more than one accounting period are expensed as incurred.

j. Interfund Activity:

Loans between funds are reported as interfund receivables and payables and are subject to elimination upon consolidation.

1. **Summary of Significant Accounting Policies** (Continued)

k. Allocation of Indirect Expenses:

The Board reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are allocated to the various functions based primarily on relative personnel time.

l. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. **Due from Grantor**

Due from grantor at June 30, 2022, in the amount of $115,755, consists of reimbursements for expenses incurred mainly under the various Department of Labor and Department of Health and Human Services programs.

3. **Deferred Compensation Plan**

Workforce Development Board, SDA-83, Inc. offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. All employees of the Board are eligible to participate in the Master Deferred Compensation Plan for Planning and Economic Development Organizations. Employees may defer up to 6% of their gross salary until future years which the Board will match as an employer contribution. They may also elect to defer additional amounts, which will not be matched by the Board. Employer's contributions to the plan for the year ended June 30, 2022, totaled approximately $44,538.

The Board does not administer the plan or maintain custody of plan assets. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Board (without being restricted to the provisions of benefits under the plan), not subject to the claims of the Board's general creditors. Participants' rights under the plan are equal to the fair market value of the deferred account for each participant. Deferred compensation amounts are administered and invested in debt mutual funds by a professional trustee. It is the Board's opinion that the Plan does not meet the requirements for inclusion as an employee benefit trust fund.

4. **Leases**

The Board leases its facilities space and certain equipment under agreements that have expiration dates on a monthly or an annual basis. Rent expense under all leases totaled approximately $124,498 for the year ended June 30, 2022.

1. On June 1, 2021, the Workforce Development Board SDA-83, Inc. entered into a finance lease agreement for the Board's administrative office. The lease expires on September 30, 2023.

   The board is reasonably certain to renew the lease through June 30, 2026. In the current year, $34,620 was paid in lease payments.

4. Leases (Continued)

2. On July 1, 2017, the Workforce Development Board SDA-83, Inc. entered into a finance lease agreement for the Board's Rayville office with an expiration date of June 30, 2022. The board renewed the lease through June 30, 2027. In the current year, $12,000 was paid in lease payments.

3. On July 1, 2021, the Workforce Development Board SDA-83, Inc. entered into a finance lease agreement for the Board's Jonesboro office with an expiration date of June 30, 2022. The board has renewed the lease through December 31, 2023. In the current year, $7,200 was paid in lease payments.

4. On January 1, 2021, the Workforce Development Board SDA-83, Inc. entered into a finance lease agreement for the Board's Tallulah office with an expiration date of June 30, 2022. The board has renewed the lease through June 30, 2024. In the current year, $8,400 was paid in lease payments.

5. The Board also has equipment and office space under month-to-month terms.

The following is a summary of lease liability transactions of the Workforce Development Board SDA-83, Inc. for the year-ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital Leases	238,925	-	(45,262)	193,633

The Workforce Development Board's principal and interest requirements to maturity are as follows:

	Payments	Interest	Total
June 30, 2023	47,444	11,671	59,115
June 30, 2024	49,112	8,308	57,420
June 30, 2025	41,328	5,292	46,620
June 30, 2026	44,206	2,414	46,620
June 30, 2027	11,573	427	12,000
			221,775

5. Third Party Reimbursements

The Board receives substantially all of its funding from third party reimbursements under contracts with the Louisiana Department of Labor and the U.S. Departments of Labor and Health and Human Services for services provided as described in Note 1. In order to receive funding, the Board must comply with contract provisions.

6. Income Tax Status

As a nonprofit organization, Workforce Development Board SDA-83, Inc. is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code but is subject to annual filing requirements with the Internal Revenue Service that includes information on its financial operations. The Board is required to review various tax positions it has taken with respect to its exempt status

6. Income Tax Status (Continued)

and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Board must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Board does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Board's accounting records.

Workforce Development Board SDA-83, Inc. is subject to the filing requirements of U.S. federal Form 990 and remains subject to examination by the Internal Revenue Service for the tax fiscal years 2018 and beyond.

7. Fair Values of Financial Instruments

The Board's financial instruments consist of cash, receivables, and current payables. Because such instruments are generally short-term in nature, their market values approximate their book values.

8. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Board's insurance coverage.

9. Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation is paid to any member. However, board members are reimbursed for any necessary out-of-town travel expenses incurred.

10. Federally Assisted Programs

Substantially all of the Board's programs are federally assisted programs. These programs are audited in accordance with the Single Audit Act, as amended in 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Board's management believes that further examinations would not result in any significant disallowed costs.

In accordance with the Single Audit Act, as amended in 1996, and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, a schedule of expenditures of federal awards is presented in the supplementary financial information portion of this report.

11. Economic Dependency

The Board receives almost all of its revenue from funds provided through grants administered by the federal government. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Board receives could be reduced significantly and have an adverse impact on its operations.

The Health Profession Opportunity Grant program as described in Note 1 ended in September 2021. The Board anticipated the conclusion of this program and the resultant decline in federal awards and has adjusted its operations accordingly in order to maintain economic viability.

12. Changes in Capital Assets

A summary of changes in capital assets is as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
General fixed assets, at cost:				
Furniture and equipment	749,992	2,183	-	752,175
Vehicles	30,133	-	-	30,133
	780,125	2,183	-	782,308
Accumulated depreciation	695,464	43,062	-	738,526
	84,661	(40,879)	-	43,782
Right of use assets	238,924	-	-	238,924
Accumulated amortization	-	51,820	-	51,820
	238,924	(51,820)	-	187,104
Net capital assets	323,585	(92,699)	-	230,886

13. Changes in Compensated Absences

The following is a summary of transactions relating to the Board's accrued compensated absences during the year.

	Balance 6/30/2021	Decrease	Balance 6/30/2022
Accrued compensated absences	109,059	(7,627)	101,432

14. Subsequent Events

The Board has evaluated events and transactions that may warrant disclosure subsequent to fiscal year end through December 22, 2022, the date which the financial statements were available to be issued and noted no subsequent events requiring disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED JUNE 30, 2022

Agency Head: Terri Mitchell

Salary	95,394
Benefits-health insurance	8,216
Benefits-retirement	5,723
Car allowance-fuel	1,998

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

COMBINED SCHEDULE OF EXPENSES, OBJECT BASIS

FOR THE YEAR ENDED JUNE 30, 2022

	Workforce Innovations and Opportunity Act- Adult	Workforce Innovations and Opportunity Act- Youth	Workforce Innovations and Opportunity Act- Dislocated Worker
Expenses:			
Accounting and auditing fees	6,450	8,479	6,636
Bank service charges	335	388	297
Board meetings and travel	874	1,153	1,062
Building and equipment maintenance	1,249	1,009	1,206
Business services	15	10	8
Conference registration	27	99	65
Consulting fees	4,441	4,354	3,576
Contract services	-	-	-
Equipment rental	1,174	1,871	2,391
Building rental and lease	33,491	33,537	37,058
Janitorial	4,647	5,819	3,712
Liability insurance	3,770	12,579	9,239
Needs-based payments supportive services	225,048	41,375	14,707
Office supplies	12,292	13,771	10,346
On-the-job training wages	107,763	38,814	-
One-Stop operator	12,810	15,466	11,720
Outreach	7	37	14
Other operating expenses	-	21,155	-
Payroll and related	342,499	407,359	407,432
Per diem - staff travel	14,039	17,734	11,093
Postage and delivery	585	829	712
Printing	1,182	1,268	1,037
Professional memberships and dues	86	166	156
Publications and subscriptions	114	73	15
Purchases of equipment >$250	321	279	792
Recruitment supplies	-	-	-
Software	-	1,734	1,734
Staff development	10	238	-
Tuition and registration	178,724	41,550	30,940
Utilities	28,701	32,990	28,082
Work experience	12,664	92,902	3,240
Total expenses	993,318	797,038	587,270

Health Profession Opportunity Grant	Nursing Adjunct Faculty Project	Nonmajor Funds	Totals
21,195	1,765	-	44,525
-	-	-	1,020
546	-	-	3,635
1,000	-	4	4,468
-	-	-	33
-	-	-	191
6,228	314	-	18,913
64,083	137,153	-	201,236
1,490	-	-	6,926
20,412	-	-	124,498
3,503	-	-	17,681
(69)	-	-	25,519
26,582	-	(80)	307,632
10,415	3,134	66	50,024
-	-	-	146,577
-	-	-	39,996
-	-	-	58
-	-	-	21,155
308,446	-	474	1,466,210
6,948	-	145	49,959
507	64	-	2,697
111	-	-	3,598
(1,677)	-	-	(1,269)
(106)	-	-	96
(682)	792	-	1,502
-	142	-	142
-	1,734	-	5,202
250	-	2,873	3,371
116,189	-	-	367,403
13,553	-	21	103,347
-	-	-	108,806
598,924	145,098	3,503	3,125,151

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN

FUND BALANCE, BY PARISH, BY COST CATEGORY

FOR THE YEAR ENDED JUNE 30, 2022

	Caldwell	East Carroll	Franklin	Jackson	Madison
Revenues:					
Federal grants	123,093	179,655	295,618	162,356	167,979
Local grants	-	-	-	-	-
Total revenues	123,093	179,655	295,618	162,356	167,979
Expenses:					
Administration	-	-	-	-	-
Program costs	123,093	179,655	295,618	162,356	167,979
Total expenses	123,093	179,655	295,618	162,356	167,979
(Deficiency) of revenues over expenses	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-
Fund balance at end of year	-	-	-	-	-

Morehouse	Richland	Tensas	Union	West Carroll	Unallocated	Total
289,478	404,159	58,114	332,204	157,273	810,124	2,980,053
-	-	-	-	-	-	-
289,478	404,159	58,114	332,204	157,273	810,124	2,980,053
-	-	-	-	-	572,158	572,158
289,478	404,159	58,114	332,204	157,273	383,064	2,552,993
289,478	404,159	58,114	332,204	157,273	955,222	3,125,151
-	-	-	-	-	(145,098)	(145,098)
-	-	-	-	-	127,719	127,719
-	-	-	-	-	(17,379)	(17,379)

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass-Through Grantor Name/ Program Title	Federal CFDA Number	Revenue Recognized	Expenditures
United Stated Department of Labor:			
Passed through Louisiana Department of Labor:			
Workforce Innovations and Opportunity Act-Adult Program	17.258	993,318	993,318
Workforce Innovations and Opportunity Act-Youth Activities	17.259	797,038	797,038
Workforce Innovations and Opportunity Act-Dislocated Workers	17.278	587,270	587,270
Total Employment Services Cluster		2,377,626	2,377,626
Ticket-to-Work	17.266	3,503	3,503
		3,503	3,503
United States Department of Health and Human Services:			
Health Profession Opportunity Grant	93.093	598,924	598,924
		598,924	598,924
Total Federal Awards		2,980,053	2,980,053

The accompanying notes are an integral part of this schedule.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

1. **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Workforce Development Board SDA-83, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the financial statements. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Workforce Development Board SDA-83, Inc. has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

Workforce Development Board SDA-83, Inc. did not expend any federal awards in the form of noncash assistance during the fiscal year.

OTHER REPORTS

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Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Workforce Development Board SDA-83, Inc., as of and for the year ended June 30, 2022, and have issued our report thereon dated December 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Workforce Development Board SDA-83, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Workforce Development Board SDA-83, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Workforce Development Board SDA-83, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Workforce Development Board SDA-83, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

December 22, 2022

Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Workforce Development Board SDA-83, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Workforce Development Board SDA-83, Inc.'s major federal programs for the year ended June 30, 2022. Workforce Development Board SDA-83, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Workforce Development Board SDA-83, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Workforce Development Board SDA-83, Inc., and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Workforce Development Board SDA-83, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Workforce Development Board SDA-83, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Workforce Development Board SDA-83, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Workforce Development Board SDA-83, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Workforce Development Board SDA-83, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Workforce Development Board SDA-83, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Workforce Development Board SDA-83, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

December 22, 2022

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2022

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Workforce Development Board SDA-83, Inc.

2. No instances of noncompliance were disclosed during the audit.

3. No material weaknesses in internal control over financial reporting are reported.

4. No material weaknesses in internal control over compliance, relating to the audit of a major federal award program, are reported.

5. The auditor's report on compliance for the major federal award programs for Workforce Development Board SDA-83, Inc. expresses an unmodified opinion.

6. There were no audit findings relative to major federal award programs for Workforce Development Board SDA-83, Inc.

7. The program tested as a major program included:

Program	CFDA No.
Workforce Innovations and Opportunity Act-Adult Program	17.258
Workforce Innovations and Opportunity Act-Youth Activities	17.259
Workforce Innovations and Opportunity Act-Dislocated Workers	17.278

8. The threshold for distinguishing Types A and B programs was $750,000.

9. Workforce Development Board SDA-83, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2022

No findings were reported in the prior year.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.

MANAGEMENT'S CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2022

No findings were reported for the current year.

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December 29, 2022

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Caddo Council on Aging, Inc.'s (CCOA) management is responsible for those C/C areas identified in the SAUPs.

CCOA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

   The entity has written policies and procedures that adequately address the budget function.

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

The entity has written policies and procedures that adequately address the purchasing function. Although the entity does not have a formal requisition and purchase order system due to its small size, all purchases are approved by the District's Executive Director.

c) ***Disbursements***, including processing, reviewing, and approving.

The entity has written policies and procedures that adequately address the disbursements function.

d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The entity has written policies and procedures that adequately address the receipts and collections function.

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

The entity has written policies and procedures that adequately address the payroll and personnel function.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The entity has written policies and procedures that adequately address the contracting function.

g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

The entity has written policies and procedures that adequately address the credit card function.

h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

The entity has written policies and procedures that adequately address the travel and expense reimbursement function.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Exception: Although the entity has policies and procedures that address ethics and actions to be taken in cases of violations, policies specific to requirements (1) and (3) – (4) were not present.

Management's Response: Management will update its policies to include these specific requirements.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

N/A because the entity has no debt.

k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The entity has policies and procedures that address information technology disaster recovery/business continuity requirements except for periodic testing/verification that backups can be restored.

Management's Response: Management will update its policies and procedures to include requirements for periodic verification that backups can be restored.

l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The entity has policies and procedures that address sexual harassment except for requirements for annual employee training and for annual reporting.

Management's Response: Management will update its personnel policy to include requirements for annual employee training and for annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The entity's Board of Directors met monthly nine times during the year. Under its bylaws, the Board must meet at least six times per year in accordance with a schedule previously agreed to by the Board.

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds[7].

Each meeting's minutes referred to budget-to-actual financial statement comparisons of its sole fund.

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The entity's general fund did not reflect a negative unassigned fund balance in the prior year audit report.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions noted.

b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

No exceptions noted.

c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The entity has one physical office location where deposits are prepared and reconciled.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

   No exceptions noted.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

   No exceptions noted.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

   No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

   No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a) Observe that receipts are sequentially pre-numbered.

      In lieu of pre-numbering receipts, all receipts are recorded onto a daily receipt listing that is reconciled to the validated deposit slip in order to ensure the completeness of deposits.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

      No exceptions noted.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

      No exceptions noted.

   d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

      Per the entity's cash receipts policy, deposits are to be made within one week (5 business days) of receipt. No exceptions to policy noted.

e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

   Per listing provided by management, payments are processed through one location - the Main Office.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

      Job duties appear properly segregated.

   b) At least two employees are involved in processing and approving payments to vendors.

      Job duties appear properly segregated.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

      Job duties appear properly segregated.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

      Job duties appear properly segregated.

   [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.)]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

       No exceptions noted.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

    Obtained listing and related documentation of all active cards from Management.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

    Monthly statements and related payments are reviewed and approved by the Executive Director and/or a member of the Board of Commissioners, as applicable.

    b) Observe that finance charges and late fees were not assessed on the selected statements.

    No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    No exceptions noted.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions noted.

b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

No exceptions noted.

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

    Obtained listing from Management and agreed selected employees' salaries and pay rates without exception.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

       No exceptions noted.

    b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

       No exceptions noted.

    c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

       No exceptions noted.

    d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

       No exceptions noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

    No exceptions noted.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

    Management's representation obtained covering these statements.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

       Exception: Two of the employees selected did not complete the required training during the fiscal period.

       Management's Response: Management will ensure that all employees complete the required training during the fiscal period.

    b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

       N/A – there were no changes to the entity's ethics policy during the fiscal period.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

    N/A because the entity has no debt.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

    N/A because the entity has no debt.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

    N/A – there were no misappropriations of public funds identified during the fiscal period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

    a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

       We performed the procedure and discussed the results with management.

    b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

       We performed the procedure and discussed the results with management.

    c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

       We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

    Exception: Documentation was not available for two of five employees to demonstrate completion of the training.

    Management's Response: Management will ensure that all employees complete the required training during the fiscal period.

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

    Exception: Although the policy and complaint procedure was observed as posted on the entity's premises, it was not posted on the entity's website.

    Management's Response: Management will update its website to include a copy of the sexual harassment policy.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

   a. Number and percentage of public servants in the agency who have completed the training requirements;

      No exceptions noted.

   b. Number of sexual harassment complaints received by the agency;

      No exceptions noted.

   c. Number of complaints which resulted in a finding that sexual harassment occurred;

      No exceptions noted.

   d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

      No exceptions noted.

   e. Amount of time it took to resolve each complaint.

      No exceptions noted.

We were engaged by CCOA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of CCOA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Heard, McElroy & Vestal, LLC